GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:7223
ANSWERED ON:13.05.2005
INVESTMENT MADE BY NTPC
Patil Shri Balasaheb Vikhe

Will the Minister of POWER be pleased to state:

(a) whether the Planning Commission has recommended that National Thermal Power Corporation (NTPC) should undertake new investments jointly with either State utilities companies or private sector companies;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

Answer

THE MINISTER OF POWER(SHRI P.M. SAYEED)

(a) : Yes, Sir.

(b) & (c) : Planning Commission has recommended in February, 2003 that National Thermal Power Corporation (NTPC) takes up projects through joint ventures with private promoters and the State Governments. Recommendations of the Planning Commission were forwarded to NTPC.

NTPC is a Navratna Company and in terms of the powers conferred, NTPC is competent to establish financial joint ventures and wholly owned subsidiaries in India abroad with the stipulation that the equity investment of the Public Sector Enterprise (PSE) be limited to the following:

(i) Rs.200 crores in any one project.
(ii) 5% of the net worth of the PSE in any one project.
(iii) 15% of the net worth of the PSE in all joint ventures/subsidiaries put together.

NTPC signed a Memorandum of Understanding on 20.02.2004 with Gujarat Power Corporation Limited (GPCL) and Gujarat Electricity Board (GEB) for setting up 1000 MW thermal power project at Pipavav in Amreli district of Gujarat. NTPC has also taken up/envisages to take up the Joint Venture projects viz. Bhilai Captive Power Plant (CPP) Stage-II (500 MW), Nabinagar Thermal Power Project (TPP) (1000 MW) and Ennore Thermal Power Project (TPP) (1000 MW) for benefits during the 11th Plan period.